



ARIZONA SUPREME COURT
Child Support Guidelines Review Committee
MEETING MINUTES
October 24, 2008
Supreme Court Building, Phoenix, Arizona

MEMBERS PRESENT:

Hon. Rebecca Albrecht
Mr. Robert L. Barrasso
Hon. Bruce R. Cohen, Chair
Ms. Helen Davis
Prof. Ira Ellman
Ms. Kim Gillespie
Ms. Cele Hancock
Mr. David Horowitz
Hon. Michala Ruechel
Hon. Sarah Simmons
Hon. Kevin White

STAFF:

Kathy Sekardi
Tama Reily

GUEST PRESENT:

Tara Ellman
Don Vert
Patricia Madsen

MEMBERS ABSENT:

Ms. Gloria Pearson
Comm. Rhonda Repp

Call to Order

Judge Cohen, Chair, called the meeting to order at 10:17 a.m. and welcomed the members.

Approval of the Minutes

To approve the September 26, 2008 minutes.

MOTION: The September 26, 2008 minutes were unanimously approved and seconded as submitted.

Review Spreadsheet Study Task Group Information and Create 16-cell matrix

Prof. Ira Ellman explained the process the task group used for generating numbers for a 16-cell matrix that is representative of all combinations of four incomes, and the principles employed in the process.

Prof. Ellman further explained that the group revisited initial estimates that were approved at an earlier task group (September 26) meeting using an updated version of the spreadsheet and presented its recommendations for this initial 16-cell grid to the full committee in October. The consultant will be asked to employ that 16-cell grid to produce an 8 by 8 (64-cell grid) for the approval of the committee. Once a 64-cell grid is approved by the full committee, Phase II consultant, Dr. Barnow, will be able to extrapolate from it to prepare a complete set of guidelines.

At the end of the process, the group compared their recommendations with the current Arizona guidelines and found:

1. That they generally produced lower support amounts when the obligor has a low-income and the custodial parent has a high income;
2. That higher amounts were produced when the obligor was high-income and the obligee was low-income;
3. They were closest to current guidelines when parents had equal income. (They believe these results were consistent with the recommendation given to them by the interim economic study committee.)

Benchmarks were created as reflected in each cell:

1. The “% middle income” benchmark is the after-tax income of the target household divided by the after-tax income required for that family to have the standard of living (SOL) of the median Arizona two adult, two child family. (This Arizona number was calculated by the consultant, Dr. Burt Barnow.) This is calculated for the intact family and both post-separation household.
2. The “SOL ratio: post-separation” is the ratio of the custodial parent’s (CP’s) “% middle income” to the non-custodial parent (NCP).
3. The “% of minimally adequate income” used figures that were produced by the Pima County jury pool. This figure turned out to be 170% of the poverty threshold, which is a very plausible amount to use. Dr. Barnow calculated equivalent amounts for different household compositions and the number here is the family’s after-tax income, as a percentage of the “minimally adequate income.”

Prof. Ellman explained the principles that were applied by the workgroup: (The members differed a bit as to the weight given each benchmark.)

1. The living standard of the CP households compared to the intact family living standard, which provides a measure of the impact of the separation on the child - “child’s well-being.”
2. The living standard of the CP and NCP households compared to one another. (For the equal earner diagonal, the group believed this ratio should generally be about 1, or equal.)
3. The support rate maximum should be 50% which was reached in the 6-child table. For one child the maximum was 32%, for two children the maximum was 37%.
4. The living standard of the NCP was looked at as a separate matter which was mainly relevant for low-income NCP’s. The task group also looked at the “minimally adequate” benchmark. Overall, the group demanded more of the NCP in cell one in each of the grids. Cell one reflects very little money for both CP and NCP; however, even there, limits were set based on the current self-support reserve test. The group imposed a symbolic payment sufficient to vindicate the “dual-obligation” principle.
5. The living standard of the child in the CP household was looked at as a separate matter because the group wanted to get the child’s living standard near or above

the minimally adequate, as a minimum, unless it is cell one, which is nearly impossible.

Prof. Ellman reported that the members came to a consensus on all the numbers in the grids.

Lastly, the group included an assumption that *“the parents’ income is the only income available to provide for the child or which in fact provides for the child. A deviation may be appropriate when that assumption is not accurate.”*

Prof. Ellman explained that this was in response to the challenging situations the judiciary faces when the child’s standard of living has been greatly enhanced by a step-parent’s income being spent on the new blended family and/or those situations where one of the parent’s have unlimited financial resources. The committee decided that any guidelines generated by this method should extend to at least \$20,000 in monthly income for each parent.

The full committee approved the workgroups’ proposal using the 16-cell matrix including directing the consultant to add information with regard to the gaps in the number of children, specifically, three, four, and five children.

Judge Cohen informed the committee members that he presented a preliminary report to the Arizona Judicial Council on October 22. Judge Cohen stated the final report would need to be completed by May 25, 2009. Staff reviewed the Committee’s charge pursuant to Administrative Order No. 2008-22.

The committee will begin to discuss guideline sections that will not be impacted by either Phase I or Phase II until the completed work has been submitted by the consultants. The committee plans to develop a summary sheet to assist users when applying different section of the guidelines.

Discuss/review Guidelines Sections 3, 4, and 5

The committee reviewed section three of the guidelines and revised it to read as follows:

SECTION 3

THESE GUIDELINES APPLY TO ALL ACTIONS INVOLVING ESTABLISHMENT OF CURRENT OR PAST CHILD SUPPORT OR MODIFICATION OF CHILD SUPPORT. THE COURT SHALL ORDER THE AMOUNT DETERMINED UNDER THESE GUIDELINES ABSENT A DEVIATION (PURSUANT TO SECTION 20).

MOTION: The committee approved and seconded the change as written.

The committee made the aforementioned change for simplification and to ensure continued compliance with federal law.

Develop December 16, 2008 Agenda

The Committee proposed the following agenda items:

1. Call to Order
2. Minutes
3. Continue to discuss and review guideline sections.
4. Reports from Task groups
 - Review and vote on updated spreadsheet
5. Discuss consultant's activities and timelines

Call to the Public

Public did not comment.

Adjourn

The meeting was adjourned at 2:09 p.m.